

ASSEMBLY BILL

No. 579

Introduced by Assembly Member Huber

February 25, 2009

An act to amend Section 19815 of the Business and Professions Code, to amend Section 11553 of, to add Section 8546.10 to, to repeal Sections 11555, 11556, 11561, 11563.7, 11564, and 11565.5 of, and to repeal and add Section 11553.5 of, the Government Code, to amend Section 39513 of the Health and Safety Code, to amend Section 148 of the Labor Code, to amend Section 8552 of the Water Code, and to amend Section 14165.8 of the Welfare and Institutions Code, relating to state boards and commissions.

LEGISLATIVE COUNSEL'S DIGEST

AB 579, as introduced, Huber. State boards and commissions: annual salaries.

Existing law provides for the salaries and raises of various exempt state employees, including the board members and commissioners that receive an annual salary from the state for their service on a state board or commission.

This bill would delete those provisions of law pertaining to the salaries and raises of the board members and commissioners that receive an annual salary from the state for their service on a state board or commission. This bill would instead require the State Auditor, beginning January 1 of each even-numbered year, to audit the workload of each state board and commission comprised of board members or commissioners to whom the state pays an annual salary for their service on those state boards and commissions. The State Auditor would be required to make a finding for each state board or commission audited

regarding the workload of that state board or commission and the number of hours necessary for each board member or commissioner to work to fulfill his or her duties to that state board or commission. The State Auditor would be required to complete these audits by September 1 of each even-numbered year.

The bill would also require the Governor, by January 1 of each even-numbered year, to establish by executive order the annual salaries of all board members and commissioners to whom the state pays an annual salary for their service on a state board or commission, subject to specified conditions. In establishing the annual salaries of affected board members and commissioners, the Governor would be required to rely on the workload audits and associated findings of the state auditor. The bill would prohibit the Governor from modifying the salaries of the commissioners of the Fair Political Practices Commission pursuant to this provision prior to September 1, 2012.

The bill would prohibit an affected board member or commissioner from being compensated for his or her service in the next year, beyond payment of per diem and reimbursement of travel and attendance costs made according to law, if the State Auditor fails to conduct the workload audits or make the associated findings, or if the Governor fails to establish by executive order the annual salaries of all affected board members and commissioners.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (1) For several years, the state has faced budget deficits requiring
- 4 cuts and changes in priorities in order to fund state activities.
- 5 (2) In recent months, the United States and this state have been
- 6 in an economic recession. They have been dealt severe blows due
- 7 to the credit crisis, the housing market, and their resulting effects
- 8 upon the financial markets.
- 9 (3) The ongoing structural deficit in state finances, complicated
- 10 by worsening economic developments, has created a fiscal crisis
- 11 in the governance of the state.

1 (4) After a nearly three-month deadlock, the Legislature passed
2 the \$103.4 billion Budget Act of 2008 that addressed a \$15.2 billion
3 budget shortfall.

4 (5) As the new fiscal year begins, the state is once again facing
5 a large budget shortfall. In November of 2008, the state took in
6 \$1.3 billion less than projected. Economic conditions, including
7 declining property values, declining stock prices, and soaring
8 unemployment rates have generated capital losses rather than
9 capital gains and have reduced sales tax, property tax, and income
10 tax revenues. These conditions have been estimated to lead to a
11 \$14.8 billion deficit in the current fiscal year alone. It has also
12 been estimated that the state is facing a budget gap that could reach
13 \$28 to \$40 billion through the 2008–09 fiscal year and the 2009–10
14 fiscal year.

15 (6) In addition, the state may be required to spend as much as
16 \$3 to \$5 billion during the 2008–09 fiscal year to improve prison
17 health care.

18 (7) State law authorizes the existence of a variety of boards,
19 commissions, and other organizations to assist and provide
20 direction in the governance of state operations. These boards
21 provide an opportunity for residents and members of specified
22 organizations and groups to take an active part in helping to direct
23 the policy and function of state government. The great majority
24 of these boards and commissions compensate appointed members
25 only with a modest per diem and reimbursed travel expenses.

26 (8) There currently exists in this state, state boards and
27 commissions that pay members an annual salary as high as
28 \$132,178 a year plus per diem and travel expenses, despite those
29 members meeting only once or twice a month.

30 (9) It is the intent of the Legislature that state boards and
31 commissions cease paying annual salaries that are not
32 commensurate with the work and duties of its members. It is the
33 intent of the Legislature that boards and commissions that are
34 authorized by statute to pay an annual salary may compensate only
35 appointed members with a per diem and reimbursement of travel
36 expenses unless it can be shown that the work requirements of that
37 position justify an annual salary.

38 (10) Requiring all boards and commissions to only compensate
39 their members for per diem and travel expenses will help to
40 alleviate the budget shortfall currently facing the state.

(11) The Legislature is respectful of the independence of the Fair Political Practices Commission. Therefore, it is the intent of the Legislature to require the State Auditor to conduct two biennial reviews of the workload of the Fair Political Practices Commission and its commissioners before the Governor is authorized to modify the salaries of those commissioners.

SEC. 2. Section 19815 of the Business and Professions Code is amended to read:

19815. (a) The members of the commission shall receive the salary provided for by ~~Section 11553.5 Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.~~

~~(b) The chairperson of the commission shall receive the salary provided for by Section 11553 of the Government Code.~~

SEC. 3. Section 8546.10 is added to the Government Code, to read:

8546.10. Upon appropriation by the Legislature, notwithstanding subdivision (a) of Section 8544.5, beginning January 1 of each even-numbered year, the State Auditor shall audit the workload of each state board or commission comprised of board members or commissioners to whom the state pays an annual salary for their service to those state boards and commissions. For each state board or commission audited, the State Auditor shall make a finding regarding the workload of that state board or commission and the number of hours necessary for each board member or commissioner to work to fulfill his or her duties to that state board or commission. The State Auditor shall complete these audits by September 1 of each even-numbered year.

SEC. 4. Section 11553 of the Government Code is amended to read:

11553. (a) Effective January 1, 1988, an annual salary of eighty-one thousand six hundred thirty-five dollars (\$81,635) shall be paid to ~~each of the following:~~ *the Administrative Director of the Division of Industrial Accidents.*

~~(1) Chairperson of the Unemployment Insurance Appeals Board.~~

~~(2) Chairperson of the Agricultural Labor Relations Board.~~

~~(3) President of the Public Utilities Commission.~~

~~(4) Chairperson of the Fair Political Practices Commission.~~

1 ~~(5) Chairperson of the Energy Resources Conservation and~~
2 ~~Development Commission.~~

3 ~~(6) Chairperson of the Public Employment Relations Board.~~

4 ~~(7) Chairperson of the Workers' Compensation Appeals Board.~~

5 ~~(8) Administrative Director of the Division of Industrial~~
6 ~~Accidents.~~

7 ~~(9) Chairperson of the State Water Resources Control Board.~~

8 ~~(10) Chairperson and each member of the California Integrated~~
9 ~~Waste Management Board.~~

10 (b) The annual compensation provided by this section shall be
11 increased in any fiscal year in which a general salary increase is
12 provided for state employees. The amount of the increase provided
13 by this section shall be comparable to, but shall not exceed, the
14 percentage of the general salary increases provided for state
15 employees during that fiscal year.

16 ~~(c) Notwithstanding subdivision (b), any salary increase is~~
17 ~~subject to Section 11565.5.~~

18 SEC. 5. Section 11553.5 of the Government Code is repealed.

19 ~~11553.5. (a) Effective January 1, 1988, an annual salary of~~
20 ~~seventy-nine thousand one hundred twenty-two dollars (\$79,122)~~
21 ~~shall be paid to the following:~~

22 ~~(1) Member of the Agricultural Labor Relations Board.~~

23 ~~(2) Member of the State Energy Resources Conservation and~~
24 ~~Development Commission.~~

25 ~~(3) Member of the Public Utilities Commission.~~

26 ~~(4) Member of the Public Employment Relations Board.~~

27 ~~(5) Member of the Unemployment Insurance Appeals Board.~~

28 ~~(6) Member of the Workers' Compensation Appeals Board.~~

29 ~~(7) Member of the State Water Resources Control Board.~~

30 ~~(b) The annual compensation provided by this section shall be~~
31 ~~increased in any fiscal year in which a general salary increase is~~
32 ~~provided for state employees. The amount of the increase provided~~
33 ~~by this section shall be comparable to, but shall not exceed, the~~
34 ~~percentage of the general cost-of-living salary increases provided~~
35 ~~for state employees during that fiscal year.~~

36 ~~(c) Notwithstanding subdivision (b), any salary increase is~~
37 ~~subject to Section 11565.5.~~

38 SEC. 6. Section 11553.5 is added to the Government Code, to
39 read:

1 11553.5. (a) (1) By January 1 of each odd-numbered year,
2 the Governor shall establish by executive order the annual salaries
3 of all board members and commissioners to whom the state pays
4 an annual salary for their service to state boards or commissions.
5 In establishing the annual salaries of affected board members and
6 commissioners, the Governor shall rely on the findings of the State
7 Auditor made pursuant to Section 8546.10.

8 (2) The Governor may not modify the annual salaries of the
9 commissioners of the Fair Political Practices Commission pursuant
10 to paragraph (1) prior to September 1, 2012.

11 (b) The annual salaries of affected board members and
12 commissioners established by the Governor shall be subject to all
13 of the following conditions:

14 (1) In no case shall the annual salary of a board member or
15 commissioner exceed the median annual salary of state employees,
16 as determined by the Department of Personnel Administration.

17 (2) The annual salary of each board member or commissioner
18 shall be proportional to the type and amount of work required for
19 that board member or commissioner to fulfill his or her duties.

20 (3) The Governor may, at his or her discretion, establish a
21 greater annual salary for the chairperson of a state board or
22 commission than that established for other board members or
23 commissioners on that state board or commission.

24 (c) If the State Auditor fails to conduct the audits or make the
25 findings mandated by Section 8546.10, or the Governor fails to
26 establish by executive order the annual salaries of all affected
27 board members and commissioners as mandated by this section,
28 no affected board member or commissioner shall be compensated
29 for his or her service in the next year, beyond payment of per diem
30 and reimbursement of travel and attendance costs made according
31 to law.

32 SEC. 7. Section 11555 of the Government Code is repealed.

33 ~~11555. (a) Effective January 1, 1988, an annual salary of~~
34 ~~seventy-one thousand five hundred eighty-seven dollars (\$71,587)~~
35 ~~shall be paid to the following:~~

36 ~~(1) Chairperson of the Board of Parole Hearings.~~

37 ~~(2) Chairperson of the Occupational Safety and Health Appeals~~
38 ~~Board.~~

39 ~~(b) The annual compensation provided by this section shall be~~
40 ~~increased in any fiscal year in which a general salary increase is~~

1 provided for state employees. The amount of the increase provided
2 by this section shall be comparable to, but shall not exceed, the
3 percentage of the general salary increases provided for state
4 employees during that fiscal year.

5 (e) Notwithstanding subdivision (b), any salary increase is
6 subject to Section 11565.5.

7 SEC. 8. Section 11556 of the Government Code is repealed.

8 11556. (a) Effective January 1, 1988, an annual salary of
9 sixty-nine thousand seventy-six dollars (\$69,076) shall be paid to
10 each of the following:

11 (1) Commissioner of the Board of Parole Hearings.

12 (2) Member of the Occupational Safety and Health Appeals
13 Board.

14 (b) The annual compensation provided by this section shall be
15 increased in any fiscal year in which a general salary increase is
16 provided for state employees. The amount of the increase provided
17 by this section shall be comparable to, but shall not exceed, the
18 percentage of the general salary increases provided for state
19 employees during that fiscal year.

20 (c) Notwithstanding subdivision (b), any salary increase is
21 subject to Section 11565.5.

22 SEC. 9. Section 11561 of the Government Code is repealed.

23 11561. An annual salary of twenty-five thousand five hundred
24 dollars (\$25,500) shall be paid to each member of the Alcoholic
25 Beverage Control Appeals Board.

26 SEC. 10. Section 11563.7 of the Government Code is repealed.

27 11563.7. (a) Effective January 1, 1988, an annual salary of
28 twenty-five thousand one hundred eighteen dollars (\$25,118) shall
29 be paid to each member of the State Personnel Board.

30 (b) The annual compensation provided by this section shall be
31 increased in any fiscal year in which a general salary increase is
32 provided for state employees. The amount of the increase provided
33 by this section shall be comparable to, but shall not exceed, the
34 percentage of the general salary increases provided for state
35 employees during that fiscal year.

36 (c) Notwithstanding subdivision (b), any salary increase is
37 subject to Section 11565.5.

38 SEC. 11. Section 11564 of the Government Code is repealed.

39 11564. (a) Effective January 1, 1988, an annual salary of
40 twenty-five thousand one hundred eighteen dollars (\$25,118) shall

1 be paid to each member of the State Air Resources Board and the
2 Central Valley Flood Protection Board, if each member devotes a
3 minimum of 60 hours per month to state board work. The salary
4 shall be reduced proportionately if less than 60 hours per month
5 is devoted to state board work.

6 (b) ~~The annual compensation provided by this section shall be~~
7 ~~increased in any fiscal year in which a general salary increase is~~
8 ~~provided for state employees. The amount of the increase provided~~
9 ~~by this section shall be comparable to, but shall not exceed, the~~
10 ~~percentage of the general salary increases provided for state~~
11 ~~employees during that fiscal year.~~

12 (c) ~~Notwithstanding subdivision (b), any salary increase is~~
13 ~~subject to Section 11565.5.~~

14 SEC. 12. Section 11565.5 of the Government Code is repealed.
15 ~~11565.5. Notwithstanding Sections 11553, 11553.5, 11555,~~
16 ~~11556, 11563.7, and 11564, with respect to any salary increase~~
17 ~~made after January 1, 1997, for nonelected members of state boards~~
18 ~~and commissions specified in Sections 11553, 11553.5, 11555,~~
19 ~~11556, 11563.7, and 11564, the annual compensation provided by~~
20 ~~these sections shall not automatically increase but may be increased~~
21 ~~in any fiscal year in which there is a general increase in the salary~~
22 ~~ranges and rates for state civil service classifications. The amount~~
23 ~~of the increase, as determined by the Department of Personnel~~
24 ~~Administration and subject to the appropriation of funds by the~~
25 ~~Legislature in the annual Budget Act, shall not exceed the~~
26 ~~percentage of the general increase in the salary rates and ranges~~
27 ~~for classifications provided during that fiscal year for state~~
28 ~~employees designated as managerial.~~

29 SEC. 13. Section 39513 of the Health and Safety Code is
30 amended to read:

31 39513. The state board shall hold regular meetings at least
32 twice a month. Special meetings may be called by the chair or
33 upon the request of a majority of the members. Each member of
34 the state board shall receive reimbursement for actual necessary
35 traveling expenses incurred in the performance of official duties.
36 ~~Time spent in these board meetings shall count toward the sixty~~
37 ~~hours per month work requirement specified in Section 11564 of~~
38 ~~the Government Code.~~

39 SEC. 14. Section 148 of the Labor Code is amended to read:

148. (a) There is in the Department of Industrial Relations the Occupational Safety and Health Appeals Board, consisting of three members appointed by the Governor, subject to the approval of the Senate. One member shall be from the field of management, one shall be from the field of labor and one member shall be from the general public. The public member shall be chosen from other than the fields of management and labor. ~~Each member of the appeals board shall devote his full time to the performance of his duties.~~

(b) The chairman and each member of the appeals board shall receive the annual salary provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) The Governor shall designate the chairman of the appeals board from the membership of the appeals board. The person so designated shall hold the office of chairman at the pleasure of the Governor. The chairman shall designate a member of the appeals board to act as chairman in his absence.

SEC. 15. Section 8552 of the Water Code is amended to read:
8552. Each member of the board appointed pursuant to subdivision (b) of Section 8551 shall receive compensation as follows:

(a) Each member shall receive the necessary expenses incurred by the member in the performance of official duties.

(b) Any member traveling outside the state pursuant to authorization of the board, and the approval of the Governor and Director of Finance as provided by Section 11032 of the Government Code, while so engaged shall receive per diem and his or her necessary expenses.

(c) ~~Each member shall receive the an annual salary as provided for in Section 11564 by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.~~

SEC. 16. Section 14165.8 of the Welfare and Institutions Code is amended to read:

14165.8. ~~The commission shall be reimbursed at the annual salary of fifty thousand dollars (\$50,000), beginning on January 1, 2006. The commission shall set the salary of the executive director and other staff consistent with funds appropriated. The annual compensation provided by this section shall be increased in any fiscal year in which a general salary increase is provided~~

1 for state employees. The amount of the increase provided by this
2 section shall be comparable to, but shall not exceed, the percentage
3 of the general salary increases provided for state employees during
4 that fiscal year.

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